

12 x 12 NW Crossing – Economic Background



September 8, 2015

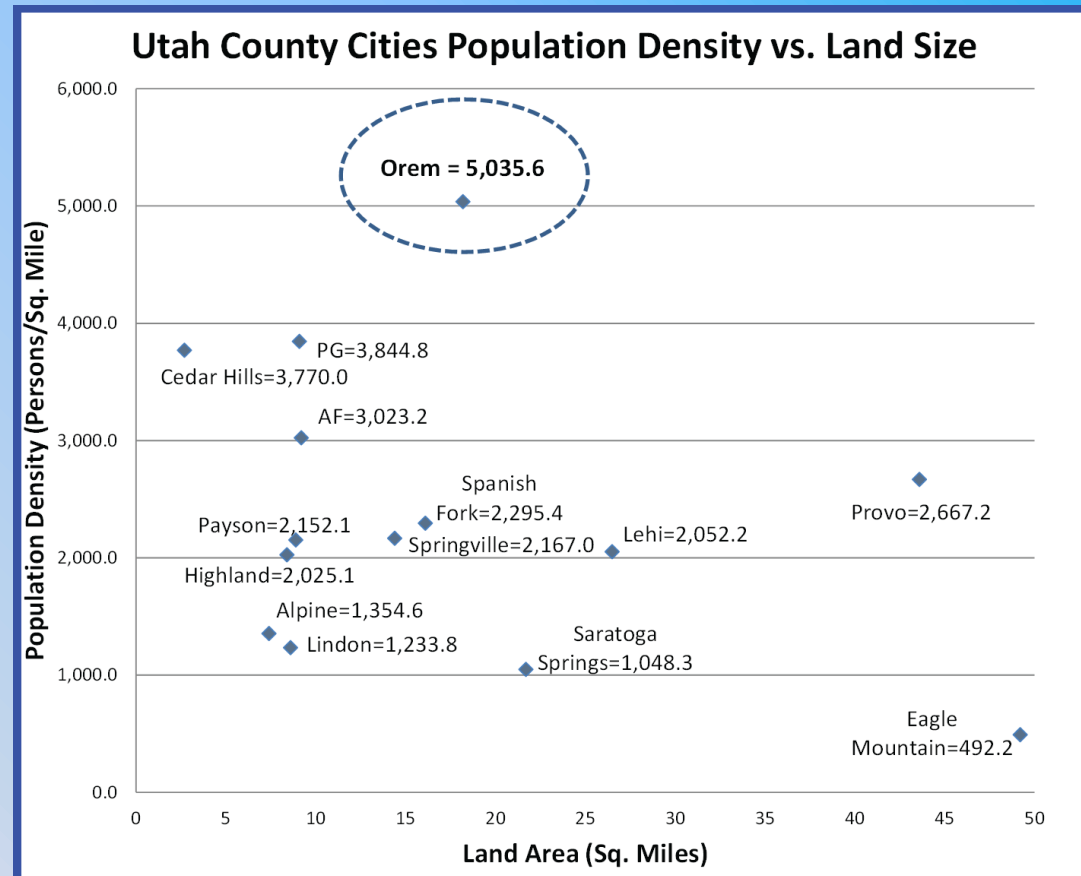
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Orem Population Density

Orem is:

- The second most densely populated city in the State of Utah.
- The most densely populated city in Utah County.
- Reaching a full build-out condition and redevelopment is the solution for current and future economic growth.





Economic Development Strategic Plan (EDSP)

Adopted February 24, 2015

Implementation and Action Plan

Goal #1

Increase the sustainability of the City's tax base through increased property values.



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In comparison to American Fork, Lehi, Lindon, Pleasant Grove, Spanish Fork, and Springville, Orem “has among the lowest proportion” of General Fund revenues “coming from the more stable property taxes.” (EDSP page 39)

“..it is important that Orem work to improve property tax values in the City in tandem with business development. This can be achieved through the development of high-quality office space...” (EDSP p. 41)



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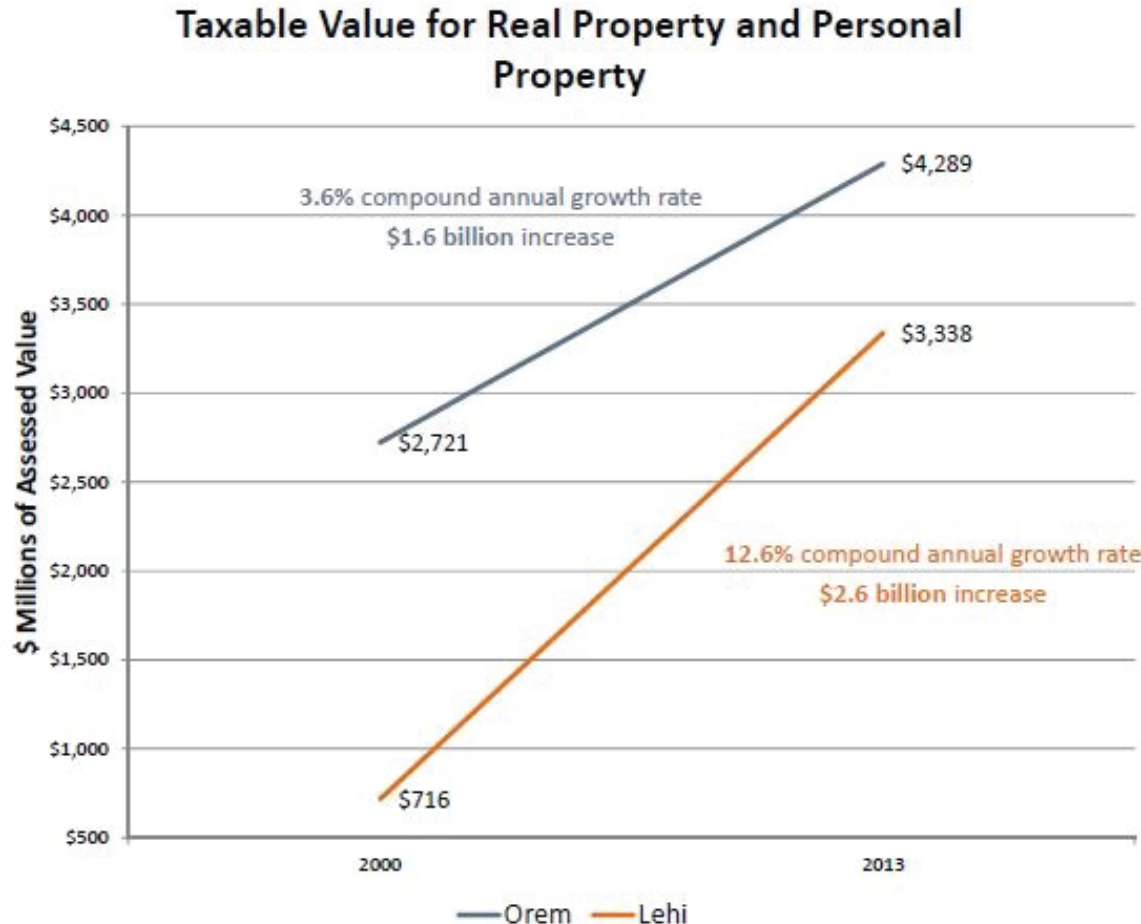
Total Assessed Value Percent Change (2007-2012)

American Fork	1%
Lehi	12%
Lindon	7%
Orem	-4%
Pleasant Grove	-7%
Provo	-9%

(EDSP p. 41)



Assessed Values



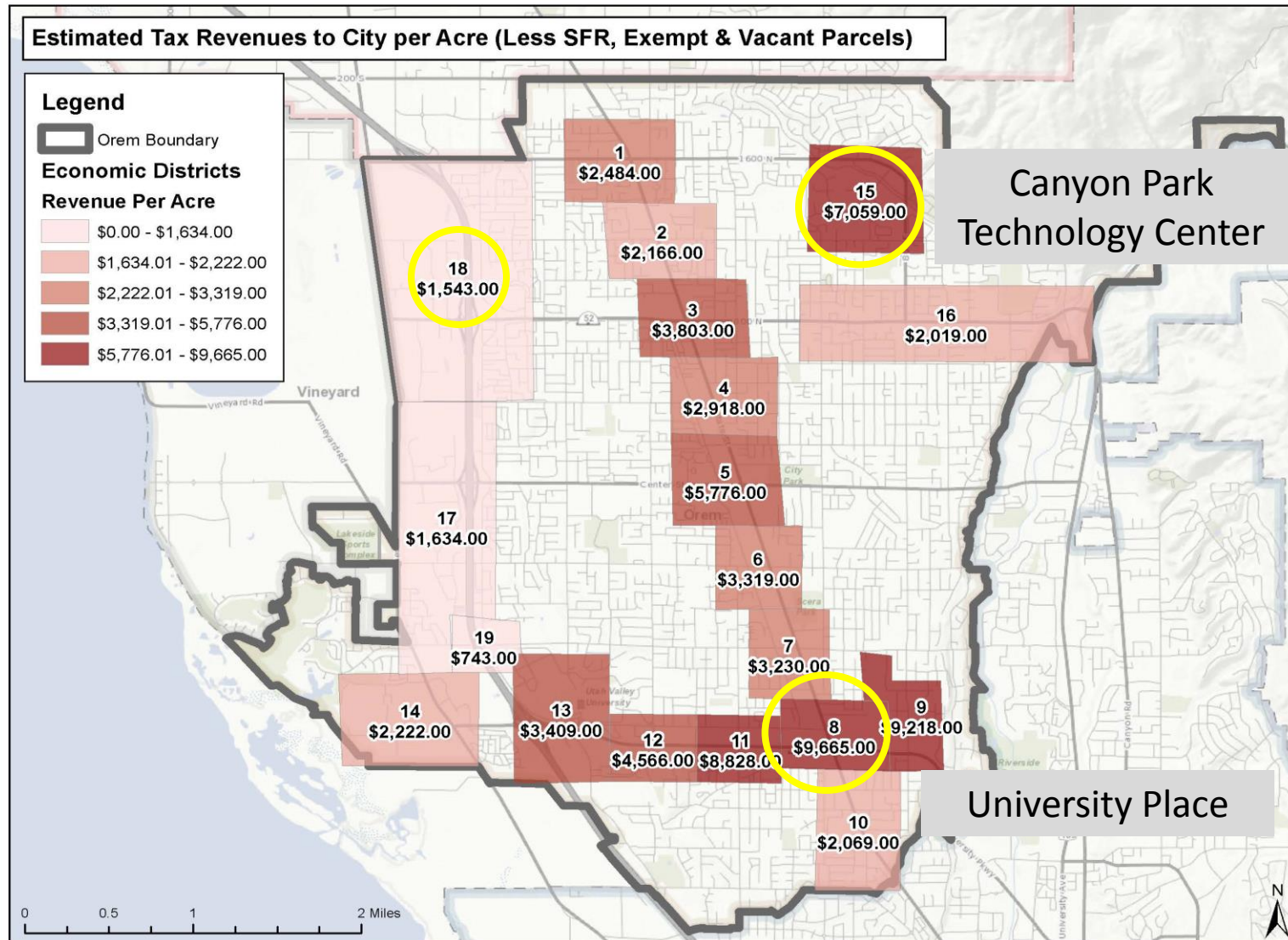
Source: Utah State Tax Commission Reports

Assessed values in Orem are growing slower when compared to cities with ample greenfields for new development



Tax Revenue

Office uses can generate tax revenues that are comparable to retail uses.





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Goal #2

**Establish Orem as the Employment Hub of
Utah County**



Primary Employers

- Majority of products or services are exported out of the region.
- Infuse new money into the local economy.
- Provide PRIMARY JOBS which are the foundation of the local economy.

Examples:





Jive

- Started in Orem in office space on south State Street
- Provide cloud based voice, video, data, messaging and mobility solutions
- Have grown here and want to stay here
- Provide PRIMARY JOBS
- Grown by more than 100 percent annually for the last three years
(GOED Press Release Feb 13, 2014)



Jive

- 570 jobs projected to be created in the next five years (GOED Press Release Feb 13, 2014)
- Currently 450 employees, close to 100 employees live in Orem (Source: Jive)
- Jobs include health and retirement benefits and a salary at least 125% of the Utah County average wage (GOED Press Release Feb 13, 2014)
- Will pay \$130,946,265 in new state wages over the next five years (GOED Press Release Feb 13, 2014)
- This is money injected into the local economy that trickles down to the city through spending.



Jive

Awarded Entrepreneurial Company of the Year by Frost and Sullivan

“Overall, through financial stability and consistent customer support, Jive inspires confidence and trust in its customers, ultimately enhancing their overall experience with its hosted communications solutions.”

- Frost & Sullivan, in a press release



Frost & Sullivan Best Practices Awards are independent, research backed accolades that identify the market's true leaders and innovators.



GOED Incentive

- GOED requires a local incentive
- Incentive requirements are flexible
- Road improvements and right of way purchase
- The incentive doesn't go directly to the business
- If the business leaves or fails, the city will still have a class A office building that can be backfilled
- Estimated Cost = \$553,000



What about the little guys?

Drop Note – loan

Creative Media Group – loan

Pura Scents – publicity

Dairy Queen – real estate assistance

Culvers – right-of-way vacation, real estate assistance



Why this Location?

- Advertisement to recruit employees
- At a curve in Interstate-15
- The building is in the direct line-of-site of north and southbound travelers
- 120,000 cars per day



Why this Location?



Southbound I-15



Northbound I-15



Gives Orem an Identity on I-15



- A great place to do business
- Catalyst to redevelopment of the I-15 corridor
- Synergy



Node Development

Examples

- University Place
- State Street Master Plan
- Northgate



- Retail, Housing, Employment, Education in a walkable community
- This project adds additional employment adjacent to Northgate



1200 West

- Over 10 years ago 1200 West was classified as a Minor Arterial Street with a future need for five lanes
- Other Minor Arterial Streets include 1600 North, 800 East, 400 North west of State Street
- Expected to be widened when traffic volumes approaches a level of failure
- 5-lane road is spurred by future growth, not the Jive project
- Standard practice to acquire right-of-way and install improvements as development occurs
- Now is the time to widen to five lanes in front of Jive as per standard practices



Average Daily Traffic Comparison

Canyon Park Technology Center

- 1,000,000 SF of Office Space
- 7,400 Employees

- Phase One: 125,000 SF
- Phase Two: 125,000 SF
- Currently 450 Employees, Projected = 1,000





Neighborhood Opposition

Before



After



NE corner
800 East and 800 North





Utility Infrastructure

